

City of San Jose

**NORTH SAN JOSE  
AREA DEVELOPMENT POLICY**

Adopted by the City Council: March 1, 1988  
Revised: August 13, 1998, August 19, 2003 and December 9, 2003

Department of Planning, Building, and Code Enforcement  
Department of Public Works

## **BACKGROUND**

To achieve a number of economic goals within the boundaries of the City of San Jose, the Rincon de los Esteros Redevelopment Area was established to promote industrial growth in the northerly area of the City. Those goals are still a critical part of the overall policies related to maintaining a healthy balanced economy and achieving a number of other objectives necessary to a large vital city.

As the result of updating the environmental documents for the Rincon area, the City identified, in 1985, a deteriorating transportation level of service condition directly resulting from regionally generated traffic. City decision-makers immediately made contact with neighboring jurisdictions to evaluate the possibility of regional solutions.

The Golden Triangle Task Force convened in November 1985, to consider how cities and the County, working together, could address the traffic congestion problem in Santa Clara County. Participants in the Golden Triangle Task Force include the cities of Milpitas, Santa Clara, Sunnyvale, Mountain View, Palo Alto, San Jose, and Santa Clara County. The Santa Clara County Manufacturing Group was instrumental in convening the Task Force and participated as non-voting member in the process.

The objective of the Golden Triangle Task Force is to bring into substantially better balance the employment, housing and roadway/transit system in the Golden Triangle Area. The Golden Triangle includes San Jose generally north of Interstate 880 and Berryessa Road, and all lands within the other five cities. Estimated employment for the area is 480,000 compared to 810,000 countywide.

To accomplish its objective the Golden Triangle Task Force developed policies to: 1) reduce the number of cars on the roadway system during the commute travel period, 2) increase the capacity of roadway/transit facilities by funding capital improvements, 3) increase housing, and 4) limit development to that supportable by existing or planned transportation infrastructure.

An Area Development Policy for North San Jose was initiated in 1985 by the City Council. Action on its adoption was deferred pending resolution of the Golden Triangle process. An interim Floor Area Ratio (FAR) policy was approved to limit development to .35 FAR, within all participating Golden Triangle jurisdictions. In June 1987, the Council endorsed the Golden Triangle Policy package and directed preparation of an Area Development Policy to implement them. On June 30, 1987, the interim FAR policy expired.

In June 1986, the Annual General Plan Review began, including proposals to change the designations of seven sites to residential.

## **POTENTIAL BENEFITS**

**Transportation Demand Management (TDM):** Today 17% of commuters either share rides, bike or take transit to work. The Golden Triangle goal is to double this figure to 35% by the year 2000. Capital Improvements: \$1.2 billion will be spent on capital improvements by cities and the Traffic Authority over the next 5-10 years, exclusive of the Guadalupe Light Rail Transit Line. The proposed Golden Triangle Program would add an additional \$467 million to be equally split between road and transit projects.

**Housing:** Implementation of the Golden Triangle housing goal would result in a 25% increase in the housing supply, over and above that which is now planned by the five cities and the portion of San Jose within the Golden Triangle.

**Growth Management:** The Golden Triangle program establishes, for the first time, a multi-jurisdiction control on development.

## **ANALYSIS**

The General Plan establishes Level of Service D as the minimum condition below which intersections should not be allowed to deteriorate. New development which would cause an intersection to fall below LOS D must either mitigate the impacted intersection, or it cannot be approved. The General Plan also provides for creation of an Area Development Policy for geographic subareas of the City with unique traffic conditions, which established specific standards for assessing impacts and mitigation. A project within the designated area must then conform to the Area Development Policy.

To improve the traffic conditions in northern Santa Clara County, an inter-jurisdictional approach is necessary to bring into closer balance the employment, housing, and the transportation system. A basic assumption is that reciprocity will be critical throughout the Golden Triangle for this effort to be a success. Adoption of an Area Development Policy for North San Jose is the next step in San Jose's continuing commitment to a long-term, realistic solution to the problem of the Golden Triangle region.

The four essential parts of the policy, reflecting critical elements of the Golden Triangle Policy package are:

### **North San Jose Area Development Policy**

1. A Transportation Demand Management (TDM) program to reduce traffic generation and increase the efficiency of the transportation system;
2. Capital Improvements funded on a cooperative basis, to bring the transportation system capacity into a closer alignment with projected need;
3. A Level of Service Policy that allows consideration of an area average instead of focusing on individual intersections;
4. A Floor Area Ratio (FAR) policy that places a cap on the magnitude of employment and encourages housing in the impacted area; and
5. A Housing strategy to internalize commute trips within the Golden Triangle area. Each of these component parts is addressed in greater detail below.

## **Transportation Demand Management**

Transportation Demand Management (TDM) refers to a program of actions to promote alternatives to the single occupant vehicle and increase the efficiency of the transportation system.

The goal of the TDM program is to reduce the number of people who travel alone to or from work, during the afternoon, peak travel period (3- 7 p.m.). The objective of the TDM program is to get 24% of commuter to use some alternative to driving alone by 1992 and 35% by the year 2000. Today only 17% of Golden Triangle commuters use an alternative commute mode.

It is intended that the TDM program will include the following key components: 1) an area wide voluntary TDM program with mandatory TDM reporting for existing employers of 100+ employees, 2) an area wide mandatory TDM program for new development with 100+ employees and new multi-tenant complexes with 500 or more employees, 3) a monitoring process that leads to fines for those employers not submitting an annual report and new developments not implementing a TDM program. If, after a three-year trial period, the voluntary effort is inadequate, a mandatory program may follow.

A Coordinating Council composed of City and County representatives and industry business senior management will be formed to develop TDM program policy. To implement the TDM program a centralized agency would be jointly funded by cities and the County. The City of San Jose will participate in both actions.

### **Capital Improvements**

The goal of this aspect of the Policy is to provide additional capacity to the transportation system by identifying potential sources of revenue for a prioritized list of roadway and transit projects. The Technical Advisory Committee of the Golden Triangle Task Force has developed a "needs" inventory of funded and unfunded projects which, if constructed, would significantly reduce projected congestion levels. Funded projects include Measure A and projects in each jurisdiction's five-year program. The cost of these funded projects is projected at approximately \$1.2 billion, exclusive of the Guadalupe Light Rail Transit Line. The cost of the unfunded road and transit projects is estimated at about \$2 billion. In identifying priority projects, major reliance was placed on the results of the recently completed Santa Clara County T-2000 transportation planning process.

This policy includes, by reference, that list of prioritized unfunded capital improvement projects that would result in increased transportation capacity. The total cost of projects on the list is \$467 million-\$217 million for roads and \$250 million for transit projects including Caltrain, light rail, express buses and a bus feeder system to light rail. Highest priority is given to commuter lanes with all other projects receiving co-equal status pending a cost/benefit analysis.

In cooperation with other members of the Golden Triangle Task Force, the City will vigorously pursue federal and state funding sources. If such sources do not come through by 1990, local tax mechanisms will be considered. The City will encourage the Task Force to work cooperatively with the T-2000 Steering Committee to develop a comprehensive funding strategy for transportation capital projects. If such a funding strategy has not been agreed to by the deadline for the 1988 General Plan Annual Review, this policy will be reviewed by the City Council during the 1988 General Plan hearings.

### **Level of Service**

The purpose of this policy is to provide a common Level of Service methodology and performance standard by which each City can evaluate both regional and local traffic impacts resulting from development within their jurisdiction. This method of determining Level of Service impacts and the need for mitigation shall apply to all of the Golden Triangle area except for the area east of Route 880. The City's adopted Level of Service Policy shall apply to all development proposals east of Route 880 because established residential neighborhoods are in close proximity to the industrial development in that area.

There are four essential parts of this policy.

1. Establish LOS Policy: It will be the policy of the City of San Jose to require a traffic impact analysis which will utilize the adopted Golden Triangle Level of Service calculation methodology in evaluating development proposals in this area.
2. Use an Average LOS: The performance standard set by this policy requires that an overall weighted average Level of Service "D" will be achieved for all intersections whose critical volumes are impacted one percent (1 %) or more by project generated traffic. Only those intersections which are impacted one percent (1 %) or more will be used in the weighted average LOS calculation for a particular project.

In cases where development generated traffic causes the weighted average LOS of these impacted intersections to exceed the acceptable level of "D", intersections improvements to increase the critical

capacity will be required of development as necessary to achieve a LOS "D" and be in conformance with this policy.

3. **Exclude Regional Network Intersections:** For the purpose of this policy the regional roadway network (defined as all access controlled freeways: highways, expressways and their intersections with local streets) shall be exempt from consideration under this policy. (However, the City, in conjunction with other Golden Triangle cities, intends to develop and impose a Regional Impact Fee based on the vehicle trips identified in the traffic analysis, which impact these facilities. This fee will be used to supplement existing funding sources in implementing identified Regional Improvements within the Golden Triangle Area.)
4. **Inter-jurisdictional Application:** This policy shall be applied to all impacted intersections regardless of jurisdiction, with the following exceptions.
  - Regional network as defined.
  - In cities not participating in this policy
  - In cases where adjacent cities decline proposed mitigations, those intersections will be omitted from the weighted average LOS calculation.

### **Floor Area Ratio**

It is the basic assumption, for the purposes of this policy, that existing development in North San Jose, as for the other Golden Triangle cities, has an average FAR of .35. This policy established a FAR cap, based on vacant industrial and commercial land. The cap provides for an average .40 FAR for vacant lands within 2000 feet of a transit station, and an average of .35 for all other vacant lands.

Certain uses which support the prevailing industrial uses, and both internalize trips and encourage ride-sharing or transit usage, are exempt from being considered part of the FAR cap. These uses include retail and service commercial, branch banks, restaurants, hotels, hospitals and residential. Warehouses are exempted if they have enforceable restrictions (such as PD zoning) which preclude conversion to a more intense use. The Department of City Planning will maintain records of the total square footage within the FAR cap, and an ongoing tally as it is disbursed to approved projects.

There are two important sources of bonus FAR relating land use intensity to transit proximity in combination with other factors making increased transit ridership very likely. The maximum bonus would allow an additional .25 FAR for a qualifying project, defined as a "Major Regional Center" which has two or more rail transit modes, a highly developed downtown environment, and significant parking constraints.

The other bonus allows .15 additional FAR for a "Highly Developed Center" project. The criteria are:

- High level of transit (rail and bus)
- Mixed use urban center
- Pedestrian orientation
- Centerwide TDM program
- Parking limits and/or changes for parking

These transit bonuses provide flexibility for consideration of future projects in the North First Street Corridor or the combined industrial/commercial area from North First Street to the airport. This policy also establishes a pool of transferable floor area. The square footage in this pool is drawn from a number of sources, including the Housing Credit (a direct transfer of the FAR intensity from designated housing sites), and a Housing Bonus of 150 square feet for every dwelling unit built. The Housing Credit becomes available upon approval of the General Plan Land Use designation for residential. The Housing Bonus is only created by issuance of Building Permits.

### **Allocation of Transferable Floor Area**

Determination as to when to allow use of floor area from the pool will be made on a case-by-case basis. Individual projects will be assessed for suitability to receive an allocation of transferable floor area, using a variety of criteria. Specifically, the following factors will be taken into consideration:

1. The "Development Criteria for North San Jose" adopted by the City Council in 1984 (Attachment A).
2. Criteria for Special Handling of Development Projects" adopted by Council on June 23, 1987 (Attachment B).
3. Development project intended to accommodate a specific company characterized within the high tech industry as a technological leader, recognized innovator, or as being of such exemplary quality that it contributes to the reputation of the industrial area as being on the leading edge.
4. Expansion of an established company within the constraints of a viable master plan will be encouraged.

### **Housing**

The goal of the housing strategy is to achieve better balance among jobs, housing supply and transportation capacities by increasing the supply of housing within the Golden Triangle Area, thereby facilitating continued economic development. By providing a resident workforce for existing and projected jobs, the need for long commutes to distant housing will be reduced.

To implement this strategy, the City encourages proposals to amend the General Plan to allow housing development westerly of the Union Pacific Railroad and the Berryessa Planned Residential Community and southerly of Highway 237. These boundaries are necessary to preclude impacts on existing neighborhoods in the Berryessa area and to avoid environmental hazard conditions found in the Alviso area. Criteria that will be used to evaluate such proposals include:

1. Higher densities are encouraged in order to maximize the benefits of housing while minimizing the reduction in the City's economic development potential.
2. Housing types or development schemes which minimize the need for public services will be more favorably considered.
3. Housing proposals which are isolated from existing or planned residential areas need to be of sufficient scale to create their own residential environment.
4. Compatibility of adjacent and nearby land uses is a primary consideration. For example, heavy industrial and other uses with nuisance characteristics are inappropriate neighbors for housing. Similarly, high-density housing can cause negative impacts on the character and livability of adjacent single-family neighborhoods.

The City will continue to participate in Golden Triangle Task Force deliberations regarding the allocation of new housing amongst the member cities.

## ATTACHMENT A

### DEVELOPMENT CRITERIA FOR NORTH SAN JOSE

The North San Jose/Rincon de los Esteros Redevelopment area has developed a different character in the vicinity of Freeway 101 and the San Jose International Airport. These criteria recognize the commercial and office uses that have been attracted to the area designated Combined Industrial/Commercial on the General Plan.

Two subareas are delineated for the application of specific criteria for new development.

Subarea 1	Combined Industrial/Commercial area
Subarea 2	Rincon Industrial area north of 101

#### Development Criteria for Subarea 1

- A mix of Combined Industrial/Commercial uses is allowed
- Multi-tenant, general office uses are permitted
- Height limit of 120 feet shall be maintained for all high rise offices as per existing City policy.

#### Development Criteria for Subarea 2

- The overall industrial character of the Rincon area should be protected.
- Corporate office uses are encouraged along the North First Street light rail frontage.
- Corporate office uses are allowed as an integral part of a single-user industrial development.
- Area-wide development intensity and parking spaces must be implemented in conformance with the Rincon EIR or any subsequent applicable environmental document and acceptable transportation level of service policy.
- In specific situations, the height limit for an industrial user's office facility may be 90 feet (or 6 stories) if 65% of the net floor space is occupied by a single corporate industrial user. Maximum height limits in the Rincon area are identified in the City's General Plan Urban Design Policies.
- The parking requirements for industrial facilities should not exceed the ratios uses in standard practice for industrial occupancies.

